

Message Text

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ACTION AID-59

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FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 7621

INFO AMEMBASSY NEW DELHI

UNCLAS COLOMBO 2323

DEPT PASS USDA FOR PL 481 TITLE I COORDINATOR HORTON

NEW DELHI FOR AGATT

E.O. 11652: N/A

TAGS: EAID, EAGR, CE

SUBJ: PL 480 AND PORT CONGESTION

1. THE PORT CONGESTION CITED IN EARLIER COMMUNICATIONS CONTINUES TO BE A MAJOR PROBLEM ALTHOUGH THE SITUATION APPEARS TO HAVE EASED SOMEWHAT. THE NUMBER OF SHIPS STANDING OFF SHORE AWAITING BERTH SPACE HAS BEEN REDUCED FROM A DAILY AVERAGE OF ABOUT 15 TO SOMETHING LESS THAN 10. DEPENDING ON WHO IS MAKING THE ALLEGATIONS, THE PORT CONGESTION IS ATTRIBUTED TO VARIOUS FACTORS SUCH AS LABOR STRIKES AND WORK SLOWDOWN, MASSIVE PRE-ELECTION ORDERS FOR CONSUMER-ORIENTED COMMODITIES, INADEQUATE WAREHOUSING, SHORTAGE AND/OR BREAKDOWN OF RAIL AND TRUCK TRANSPORTATION, ETC. WHILE ALL OF THESE FACTORS MAY BE OR HAVE BEEN RESPONSIBLE TO SOME DEGREE AT ONE TIME OR ANOTHER, THE PRIMARY CAUSE IS BELIEVED TO BE DUE LARGELY TO PORT OPERATIONS BEING CONTINUED ON A "BUSINESS AS USUAL" ROUTINE IN THE FACE OF THE PRECIPITOUS ARRIVALS OF SUBSTANTIAL IMPORTS WHICH EXCEEDED PORT CAPACITY AND THE DAILY ROUTINE OF THE STEVEDORES. DEMURRAGE COSTS INCURRED ARE NOW ESTIMATED ROUGHLY AT SOMEWHERE AROUND UNCLASSIFIED

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\$1.5 MILLION.

2. TWO RECENT ARTICLES IN LOCAL NEWS DAILIES HAVE LEVELED ACCUSATIONS THAT 2,500 TONS OF PL 480 TITLE II CARE MILK POWDER WAS ROTTING IN THE PORT. PRESUMABLY, ONE OF THE ARTICLES WAS DESIGNED TO EMBARRASS THE GSL. IN ANY CASE, BOTH ARTICLES WERE REFUTED BY CARE/SL AND THE FOOD COMMISSIONER. AS A MATTER OF

FACT, THERE HAVE BEEN NO IMPORTS OF TITLE II MILK POWDER INTO SRI LANKA SINCE 1973. WHILE WE HAVE BEEN UNABLE TO ASCERTAIN WHETHER THERE MAY HAVE BEEN SOME SPOilage OF OTHER FOODSTUFFS AS A RESULT OF DELAYED DISCHARGE OR PROLONGED WAREHOUSING, WE ARE INCINED TO DOUBT SUCH ALLEGATIONS. CERTAINLY, THERE HAS BEEN NO SPOilage OF ANY PL 480 COMMODITIES, WHICH APPEAR TO HAVE RECEIVED MORE FAVORABLE ATTENTION THAN MOST OTHER CARGO. TWO FACTORS HAVE CONTRIBUTED TO THE MORE EXPEDITIOUS DISCHARGE OF PL 480 CARGOES: (1) THE HIGH DEMURRAGE COSTS ON US VESSELS; AND (2) THE PRECEDENCE ACCORDED TO FOOD ANDPERISHABLE CARRYING VESSELS OVER OTHERS.

3. PL 480 TITLE I -- THE 14 VESSELS DELIVERING THE 100,000 MT OF TITLE I WHEAT FLOUR AND 20,000 MT OF TITLE I RICE REQUIRED AN AVERAGE OF 22.9 DAYS BETWEEN ARRIVAL AND OFF LOADING. OF THESE 14 VESSELS, 8 WERE UNLOADED IN SUFFICIENT TIME TO EARN DESPATCH (AT ONE-HALF THE DEMURRAGE RATE) FOR THE GSL. THE GSL INCURRED DEMURRAGE COSTS OF AN ESTIMATED \$377,000 FOR THE OTHER 6 VESSELS. THE LAST OF THESE TWO VESSELS ARE IN THE FINAL STAGES OF UNLOADING. VESSEL NAMES, TITLE I CARGOES IN METRIC TONS, ARRIVAL DATES AND OFF-LOADED DATES ARE LISTED AS FOLLOWS:

1. ARTEMISSION II, 3500 WF, 2/27 - 4/5
2. JEFF DAVIS, 7500 WF, 3/31 - 4/5
3. EXPORT BUYER, 2500 WF, 3/16 - 3/20
4. EXPORT AMBASSADOR, 8000 WF, 4/6 - 4/12
5. STRYMAN, 7000 WF, 4/10 - 5/15

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6. EXPORT BANNER, 8997 WF, 4/11 - 4/21
7. JOANA, 9000 WF & 105000 R, 4/14- 6/15
8. ALASKAN MAIL, 13356 WF, 4/21 - 5/9
9. AMERICAN MAIL, 6500 WF, 4/27 - 5/6
10. LYMAN HALL, 2500 WF & 5000 R, 4/30 - 5/17
11. AEGIS PROGRESS, 20000 WF, 5/4 - 7/7 (STILL UNLOADING)
12. EXPORT BUILDER, 2000 WF, 5/24 - 5/27
13. SAM HOUSTON, 5222 R, 5/21 - 6/7
14. YDRA, 9000 WF, 6/2 - 7/7 (STILL UNLOADING)

4. THE FIRST VESSEL DELIVERING THE INITIAL SHIPMENT OF THE SECOND 100,000 MT OF WHEAT FLOUR IS SCHEDULED ARRIVE COLOMBO ON JULY 15, FOLLOWED BY TWO OTHER VESSELS IN JULY. SINCE ALL THREE ARE LASH VESSELS NOT REQUIRING BERTH SPACE, NO DELAYS ARE EXPECTED IN OFF-LOADING. BY THE END OF JULY, MOREOVER, THE PORT IS EXPECTED TO BE ESSENTIALLY CLEAR OF CONGESTION.

5. PL 480, TITLE II -- THE 5 VESSELS DELIVERING TITLE II COMMODITIES THUS FAR IN 1977 REQUIRED AN AVERAGE OF 18.8 DAYS BETWEEN ARRIVAL AND OFF-LOADING AS COMPARED WITH AN AVERAGE OF 11 DAYS IN 1976. VESSEL NAMES, ARRIVAL DATES AND OFF-LOADED DATES ARE LISTED AS FOLLOWS:

1. ALASKAN MAIL, 1/29 - 2/12
 2. INDIAN MAIL, 4/6 - 4/19
 3. THOMAS LYNCH, 4/7 - 4/20
 4. ALASKAN MAIL, 4/21 - 5/29
 5. AMERICAN MAIL, 5/6 - 5/22.
- PERKINS

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Disposition Case Number: n/a
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Disposition Event:
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